

Chapter 2: GENERAL CARL MOYER PROGRAM CRITERIA

The project criteria listed below apply to all Carl Moyer Program projects. Additional project criteria are located in the relevant source category chapters. Projects must also conform to the project application, contract, reporting, and other requirements as described in the Program Administration chapter. Participating districts retain the authority to impose additional requirements in order to address local concerns.

1. Emission reductions obtained through Carl Moyer Program projects must not be required by any federal, State or local regulation, memorandum of agreement/understanding, settlement agreement, mitigation requirement, or other legal mandate.
2. The local air district or ARB Governing Board rule approval date (or the promulgation date of a federal regulation) represents the cutoff date by which a Carl Moyer Program project contract must be fully executed, without needing to consider the rule in evaluating the surplus nature of the project's emission reductions. After that date, the new rule must be considered in the evaluation of a project's eligibility.
3. No emission reductions generated by the Carl Moyer Program shall be used as marketable emission reduction credits, or to offset any emission reduction obligation of any person or entity.
4. The Carl Moyer Program will take credit for all emission reductions achieved from projects funded using any Carl Moyer Program incentive dollars.
5. No project funded by the Carl Moyer Program shall be used for credit under any federal or State emission averaging banking and trading program.
6. Engines operating under a regulatory compliance extension granted by the ARB, a local district, or the U.S. EPA are not eligible for funding.
7. Projects funded by the Carl Moyer Program may not be used to generate a compliance extension or credit for determining regulatory compliance until the project life is complete.
8. Projects must meet a cost-effectiveness of \$16,400 per weighed ton of NO_x, ROG, and PM reduced calculated in accordance with the cost-effectiveness methodology in Appendix C.

9. A district that provides non-Carl Moyer Program incentive funds that are under the district's budgetary authority or fiduciary control must include those incentive funds as part of the cost-effectiveness calculations and the total funds contributed by the district must meet current cost-effectiveness limits (Health & Safety Code § 44283(d)). An example is located in Appendix __, general calculations
10. If an application reports other public financial incentives, the district must deduct this amount from the total incremental costs that can be funded with Carl Moyer Program funds (Health & Safety Code §44283(g)). An example is located in Appendix __
11. Carl Moyer Program grants can be no greater than a project's incremental cost. The incremental cost is generally expressed as the percent of the total project cost in each source category chapter of these Guidelines.
12. Carl Moyer Program funds cannot be used for fuel projects, however other funds under an air district's budgetary authority or fiduciary control (i.e. match funds) may be used to pay for the incremental cost of liquid or gaseous fuel, other than standard gasoline or diesel, which is integral to a project receiving grant funding under the Program. If all Carl Moyer Program criteria are met and the project is not a "fuel-only" project, the incremental cost of alternative fuel can be considered a qualified matching contribution from an air district.
13. The contract term must extend to the end of the project life.
14. The new engine/vehicle/equipment must remain in service for the project life.
15. Projects must have at least 75 percent of their total activity for the project life in California.
16. Potential projects that vary from the requirements of these guidelines and do not meet all of these criteria may be approved by the ARB on a case-by-case basis if the project is demonstrated to achieve real, surplus, quantifiable, enforceable, cost-effective emission reduction benefits in California for the full project life. Additional information regarding approval of case-by-case projects is found in the Program Administration chapter
17. Carl Moyer Program projects must meet requirements applicable to that project category found in the applicable source category chapter of these Guidelines, in addition to the following general guidelines.
18. In general, projects must have a minimum project life of three years, but some source categories allow a project life of less than three years. Refer to the specific source category chapter for more detail.
19. Projects for which activity is based on hours of operation must include a functioning hour meter on the new engine.

20. Project engines and retrofits may only use the fuel allowed by the engine certification or retrofit device verification during the project life. Fuel additives are not allowed to be used unless specifically identified as allowable in the engine certification or retrofit device verification.
21. A biodiesel blend fuel consisting of not more than 20 percent biodiesel may be used with a retrofit device verified under Title 13, CCR, Sections 2700 through 2710, as long as the verification was based upon use of commercial diesel fuel and the retrofit is ARB-verified to reduce PM but not NOx. Carl Moyer Program participants which use other biodiesel blends or whose project is not a verified NOx-only retrofit project must determine if the use of biodiesel will negate their engine, vehicle, or equipment warranty. Grantees using a biodiesel blend not explicitly allowed by the project engine, vehicle, or equipment warranty (with the exception of NOx-only retrofit projects) are responsible for repairing or replacing the project engine, vehicle, or equipment should it malfunction due to use of this fuel.
22. Replacement engines participating in the averaging, banking, and trading (ABT) program that are certified to family emission limits (FEL) higher than the applicable emission standards, as designated on the Executive Order, are ineligible to participate in the Carl Moyer Program.
23. Replacement engines that are certified to a FEL NOx or NOx + NMHC level that is lower than the required emission standard are eligible to be used in repower and replacement projects. However, the emission level that can be used in cost-effectiveness calculations for these engines would be the applicable emission standards and not the FEL levels.
24. Emission reduction technologies must be certified or verified by ARB. If ARB certification or verification does not exist or if engines or retrofits are preempted from ARB certification/verification, then an engine or retrofit must be certified/verified to Federal standards, including durability.
25. For the purposes of the Carl Moyer Program, a technology granted a conditional certification/verification by ARB is considered certified/verified.
26. Emission reduction technologies for sale in California must comply with all durability and warranty requirements.
27. Prior to the destruction of an engine that is required to be dismantled, that engine can be used as a test engine for purposes of retrofit or fuel verification. This can occur as long as the engine complies with the requirements of the guidelines, and the engine must be destroyed before a payment to the grantee is issued for the new engine.

28. Engines funded under the Carl Moyer Program must not be used as test engines or be altered by non-ARB verified aftermarket technology or fuel additives unless otherwise allowed through a case-by-case basis.
29. In circumstances where multi-engine replacement (or repower) projects are eligible for funding, the emission benefits must be based on overall vehicle/equipment cost effectiveness and not on a per engine basis. The project must meet the current project cost effectiveness cap.
30. Funding is not available for projects where a spark-ignition engine (i.e., natural gas, gasoline, etc.) is replaced with a diesel engine
31. For a new purchase, engine(s) must be certified by ARB to reduce NOx emissions by at least 30 percent more than the current NOx emission standard. This criterion also applies to locomotives with the exception that engine(s) must be certified by US EPA. For marine vessel new purchases, refer to chapter for specific criteria.
32. For repower projects, the replacement engine must achieve an annual NOx emissions benefit of at least 15% and be certified to, if available, either the current applicable emission standard or to a FEL NOx or NOx+NMHC level that is lower than the required emission standard .
33. Retrofit projects that reduce NOx emissions must be verified by ARB to a NOx reduction level of at least 15 percent from the baseline engine to claim NOx reductions from the project.
34. No public money are allowed for the support of any sectarian or denominational school, or any school not under exclusive control of the officers of the public schools
35. A grant recipient subject to an in-use regulation may be eligible to receive funding through the Carl Moyer Program, if the recipient is in full compliance with the regulation